



Department of Justice

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BUSINESSMAN PLEADS GUILTY TO PAYING BRIBES TO U.S. CONGRESSMAN

WASHINGTON, D.C. – A businessman who paid bribes to a member of the U.S. House of Representatives has pleaded guilty to a two-count criminal information charging him with conspiracy to commit bribery and the payment of bribes to a public official, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Chuck Rosenberg of the Eastern District of Virginia announced today.

Vernon L. Jackson, 53, of Louisville, Kentucky, entered his plea earlier today in U.S. District Court in Alexandria, Virginia before the Honorable T.S. Ellis, III. Jackson faces up to 20 years in prison and a fine of up to \$500,000, under the terms of the plea agreement. As part of his plea, Jackson has agreed to cooperate with law enforcement officials in an ongoing probe of public corruption related to telecommunications deals in Africa and elsewhere.

According to the criminal information, from 1998 through the present, Jackson has been the Chairman and CEO of iGate, Incorporated, a Kentucky firm focused on developing technology which is designed to transmit data, audio, and video communications over copper wire. In his plea today, Jackson admits that in approximately 2000, he was introduced to a member of the U.S. House of Representatives (Representative A), who was active in promoting U.S. trade and business in Africa. Representative A then provided official assistance to Jackson in persuading the U.S. Army to test iGate's broadband two-way technology and other iGate products. Representative A's official assistance led to the placement of iGate on the U.S. General Services Administration (GSA) schedule, making iGate products eligible for use in various federal contracts. Ultimately, iGate's products were used by the U.S. Army at Fort Stewart, Georgia.

Jackson further admits that in early 2001, Representative A told him that Representative A would not continue to provide official assistance to Jackson's company, iGate, unless Jackson agreed to pay a nominee company ostensibly maintained in the names of Representative A's spouse and children. Jackson agreed and signed a consulting services agreement committing iGate to pay the nominee company various things of value, thereby concealing Jackson's payments in exchange for Representative A's performance of official acts in furtherance of iGate's business in Africa and elsewhere, including, but not limited to: a) monthly payments of \$7,500; b) a percentage of iGate's gross sales; c) a percentage of capital investments raised for iGate; and d) options for iGate stock.

In his plea, Jackson admits that he caused over \$400,000 to be paid to Representative A's nominee company and that the consulting services agreement was designed to conceal the illegal nature of the payments demanded by Representative A. In return for the agreement to pay things of value, Representative A agreed to perform numerous official acts in furtherance of iGate's business, including, but not limited to: efforts to influence high-ranking officials in Nigeria,

Ghana, Cameroon and elsewhere through official correspondence and in-person meetings; travel to those countries to facilitate these meetings; and meetings with personnel of the Export-Import Bank of the United States, the official export credit agency of the United States, in order to facilitate potential financing for iGate business deals in those countries.

“According to his plea, Vernon Jackson got favorable treatment from a Congressman because he paid for it,” said Alice S. Fisher of the Criminal Division. “Public corruption is not a victimless crime – all of us lose when people believe public officials can be brought. Those who conspire with elected officials to subvert the integrity of our government will be prosecuted.”

“Public corruption significantly undermines confidence in our government institutions,” said Chuck Rosenberg, United States Attorney for the Eastern District of Virginia. “Those that pay bribes in return for favorable treatment, and public officials who corruptly trade on their office and line their own pockets do so at great risk, because we will pursue these cases relentlessly.”

The case is being prosecuted by Mark D. Lytle and Rebeca Bellows, Assistant United States Attorneys, Eastern District of Virginia and Special Assistant U.S. Attorney Michael K. Atkinson of the Fraud Section of the Criminal Division at the U.S. Department of Justice, Washington. The case is being investigated by the Federal Bureau of Investigation.

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